

REMARKS

Reconsideration and allowance of the above-referenced application are respectfully requested.

Claims 1, 3-11, 13-15, 17, 19 and 21 are pending. Claim 1 has been amended to incorporate the subject matter of claim 2, resulting in the cancellation of claim 2. Claims 4 and 7 have been amended to depend from claim 1. Claim 22 has been cancelled without prejudice.

Claims 1, 5, 6, 9, 10, 11, 15, 19 and 21 are rejected under 35 U.S.C. Sec. 103(a) as being unpatentable over Bennett in view of Fox '539 and official notice. This rejection is rendered moot by the combination of the subject matter of claim 2 into claim 1.

Claims 2, 7 and 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Bennett in view of Fox '539 and official notice, and further in view of Friedman. Due to the combination of claim 2 into claim 1, this rejection now pertains to claims 1, 5, 6-9, 10, 11, 15, 19 and 21.

In the present invention, a novel computer-implemented business method is employed for spreading the risk associated with ownership and transfers of ownership of intellectual property. In a particularly preferred form of the present invention, the intellectual property is valued in the context of a transaction such as a purchase, sale, or loan. The invention combines a "due diligence" analysis with an underwriting process supporting an offer to insure the intellectual property.

One scenario in which the process and corresponding product of the present invention would be particularly useful is when a company that is in a rapidly developing

industry, such as the computer industry or biotechnology, is involved in a patent interference proceeding. In such a case, the company may have difficulty obtaining financing pending the outcome of the interference. Meanwhile, the company may lose ground or market share relative to its competitors as a result of its delay in conducting further research or introducing a new product. Even if the company has a competent opinion from its patent attorney indicating a high likelihood of success in the interference, a loan officer from a bank or other financing authority may be hesitant to rely on the opinion because it comes from an employee or another attorney that has an ongoing relationship with the company. If the company were able to obtain an opinion from an expert retained by an insurer and the opinion was favorable, the company may be able to obtain financing to proceed with its research and new product introductions without delay. The company may be required by the financiers to purchase an insurance policy covering the value of the subject intellectual property. It is expected that a company might be willing to pay a substantial sum for this type of insurance given the alternative of waiting for the outcome of the interference. Thus, the process and product of the present invention promote commerce by enabling companies tied up by proceedings such as interferences to move forward in their business.

Bennett discloses insurance that is specifically designed to defray the cost of patent infringement litigation. As noted in the Office Action, there is no disclosure in this document of the steps of (a) obtaining a description of the intellectual property asset, (b) determining a value of the intellectual property to be insured, (c) determining a cost of

providing compensation for an unexpected change in value of the intellectual property, or
(d) computer-generating an offer to provide compensation.

The Office Action alleges that in view of Fox it would have been obvious to one of ordinary skill in the art of insurance at the time the the applicant's invention to use a computer to generate an offer to provide compensation. Furthermore, the Office Action alleges that it would have been obvious to one of ordinary skill in the art of insurance at the time the the applicant's invention to follow steps (a)-(c) of claim 1 to insure an intellectual property asset for the advantages of determining (1) whether it would be likely to be profitable to insure the asset and (2) what premiums should be charged. However, the Office Action does not cite any authority which indicates that any insurance company has conducted valuations of intellectual property assets as part of their insurance underwriting. The complex, case-by-case analysis required in valuing intellectual property assets makes this type of valuation very different from the valuation of an automobile, building, ship or diamond ring.

The Office Action states that "Friedman teaches that the information that someone possessed of skill in evaluating risks and/or expert knowledge of the risks in a particular case has offered to insure an asset at a stated premium can be valuable even if the offer is not accepted..., and official notice is taken that it is well known to pay consulting fees in exchange for valuable information." The Office Action does not cite any authority which discloses an insurance applicant paying for underwriting in exchange for an offer for insurance coverage which would become effective upon payment of a premium. Thus, the Examiner's use of "official notice" in the payment of consulting fees cannot be combined

with the other references in a manner to render obvious claim 1 of the present application.

Reconsideration is requested.

Claims 5-8, 10, 11, 15, 19 and 21 are dependent upon claim 1 and are therefore believed to be patentable for the same reasons as claim 1. Reconsideration is requested.

Claim 4 is rejected under 35 U.S.C. Sec. 103(a) as being unpatentable over Bennett, Fox, Friedman, and official notice as applied to claim 2, further in view of Harbert. Claim 3 is rejected under 35 U.S.C. Sec. 103(a) as being unpatentable over Bennett, Fox, and official notice as applied to claim 1, further in view of Harbert. Claims 13 and 14 are rejected under 35 U.S.C. Sec. 103(a) as being unpatentable over Bennett, Fox, and official notice as applied to claim 1 above, further in view of Cripe. These rejections are overcome by the combination of the subject matter of claim 2 into claim 1. Reconsideration is requested.

The rejections of Claim 22 under 35 U.S.C. Secs. 103(a) and 112 have been rendered moot by the cancellation of this claim.

In view of the above, it is believed that this application is in condition for allowance, and such a Notice is respectfully solicited.

Respectfully submitted,

William M. Risen, et al.

OFFICIAL

By *Diane F. Covello*
Diane F. Covello

Registration No. 34,164

Attorney for Applicants

125 Walbridge Road

West Hartford, CT 06119

Phone (860)-233-0872

Date: October 9, 2003

DFC

Encls: Replacement sheets of pending claims
Marked-up copies of claims

**RECEIVED
CENTRAL FAX CENTER**

OCT 09 2003

FROM : COVELLO

PHONE NO. : 8602330872

Oct. 09 2003 10:13AM P13

**APPENDIX 1 - MARKED UP PAGES OF CLAIMS SHOWING
REVISIONS TO CLAIMS 1, 4, AND 7 AND
CANCELLATION OF CLAIMS 2 AND 22**

What is claimed is:

1. (Amended) A method of providing protection against an unexpected change in value of an intellectual property asset, comprising:

- (a). obtaining a description of at least one intellectual property asset of a first party,
- (b). determining a value of said at least one intellectual property asset,
- (c). determining a cost of providing compensation for an unexpected change in value of said at least one intellectual property asset, [and]
- (d). offering to provide compensation for at least a portion of any unexpected change in value of said at least one intellectual property asset to a person with an interest in the first party, and
- (e) obtaining a first fee in exchange for offering to provide compensation.

Cancelled [2. A method according to claim 1, further comprising:

- (e) obtaining a first fee in exchange for offering to provide compensation.]

3. A method according to claim 1, wherein step (d) includes providing an evaluation of said at least one intellectual property asset.

4. (Amended) A method according to claim [2] 1, wherein step (d) includes providing an evaluation of said at least one intellectual property asset.

5. A method according to claim 1, wherein steps (a) - (d) are executed by, or on behalf of, an offeror, further comprising:

- (f) accepting the offer to provide compensation,
- step (f) being executed by said person with an interest in the first party.

6. A method according to claim 5, wherein step (f) includes paying a second fee to the offeror.

7. (Amended) A method according to claim [2] 1, wherein steps (a) - (e) are executed by, or on behalf of, an offeror, further comprising:

(f) accepting the offer to provide compensation,
step (f) being executed by said person with an interest in the first party.

8. A method according to claim 7, wherein step (f) includes paying a second fee to the offeror.

9. A method according to claim 1, wherein said value includes at least one future value of said at least one intellectual property asset, and said unexpected change in value is determined at the time for which said at least one future value was determined.

10. A method according to claim 9, wherein said value further includes a current value of said at least one intellectual property asset.

11. A method according to claim 1, wherein said intellectual property asset includes at least one member selected from the group consisting of patent rights, patent application rights, trademark rights, service mark rights, copyright rights, trade secret rights and trade dress rights.

13. A method according to claim 1, wherein said person with an interest in the first party includes at least one member selected from the group consisting of an officer of the first party, a director of the first party, a prospective purchaser of said at least one intellectual property asset, an officer of the prospective purchaser, and a director of the prospective purchaser.

14. A method according to claim 1, wherein said person with an interest in the first party includes at least one member selected from the group consisting of a prospective purchaser of said at least one intellectual property asset, an officer of the prospective purchaser, and a director of the prospective purchaser.

15. A method according to claim 1, wherein said unexpected change in value is based upon a legal determination of at least one of invalidity and unenforceability of said at least one intellectual property asset.

17. A method according to claim 1, wherein step (b) includes analyzing the validity of said at least one intellectual property asset.

19. A method according to claim 1, wherein said at least one intellectual property asset includes at least one patent right.

21. A method according to claim 1, wherein the offer to provide compensation is made to said party with an interest in the first party in connection with transfer of ownership of said at least one intellectual property asset to a second party.

Cancelled [22. A method of insuring against a risk of an unexpected reduction in value of a patent right, comprising:

(a). assigning a value to the patent right while the patent right is owned by a first party,

(b). estimating the likelihood of an unexpected reduction in value of the patent right, and

(c). agreeing to provide compensation to a person with an interest in the first party for at least a portion of any unexpected reduction in value of the patent right during a particular period of time after receipt of an insurance premium, the insurance premium being paid in connection with a transfer of ownership of the patent right.]